

CHAPTER 5 MOTOR VEHICLE DEALERS

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500 GENERAL PROVISIONS

- 500.1 The rules and regulations contained in this chapter shall govern the registration of new and used car dealers in the District of Columbia, the issuance and use of dealer tags and special use tags by dealers, and the maintenance of records by dealers.
- 500.2 No person, unless registered under the provisions of this chapter, shall carry on or conduct the business of a dealer in motor vehicles, trailers, or semitrailers of a type subject to registration.
- 500.3 All certificates of manufacture, certificates of title, papers issued by another jurisdiction in connection with titling and registration, registration cards, temporary registration certificates, records of issuance of temporary registration certificates, and triplicate copies of special use certificates, while in the possession of any dealer registered under this chapter, shall be subject to inspection upon demand of the Director or of any police officer.
- 500.4 All vehicles and places of business of dealers registered under this chapter shall be subject to inspection upon demand of the Director or of any police officer.
- 500.5 No dealer may accept an open assignment of a motor vehicle title or bill of sale that does not identify the dealer as the purchaser or assignee of the motor vehicle.
- 500.6 A dealer shall inform the Department of any change in business ownership or location within five (5) business days of any such change.
- 500.7 All dealers or their agents shall attend any mandatory training required by the Department after receiving notice of the training sent by regular mail to the address on the dealer's registration; except for good cause shown as determined by the Director.

501 REGISTRATION OF DEALERS

- 501.1 A manufacturer or a branch officer of a manufacturer engaged in selling new vehicles only may apply to the Director to be registered as a new car dealer.

- 501.2 A person having an established place of business located within the District who is the holder of a franchise for the sale of new vehicles and who has a motor vehicle dealer's license may apply to the Director to be registered as a new car dealer.
- 501.3 A person may apply to the Director for registration as a car dealer provided, in addition to all other applicable requirements of this Title, that person:
- (a) Has a valid motor vehicle dealer's business license;
 - (b) Has a valid federal tax identification number;
 - (c) Has a valid certificate of occupancy in the dealer's name;
 - (d) Is actively engaged in buying, selling, and exchanging vehicles; and
 - (e) Has an established place of business that is located on a street or avenue.
- 501.4 The requirement that any used car dealer have an established place of business located on a street or avenue shall not be applicable to any dealer who, on November 1, 1968, was conducting business in a place of business for which a valid certificate of occupancy to conduct the business had been issued.
- 501.5 When trailers, fire-fighting equipment, construction equipment, ambulances, or funeral vehicles, including motor vehicles adapted thereof, are the only vehicles offered for sale or resale, such manufacturer, branch officer of such manufacturer, or person need not hold a valid motor vehicle dealer's license.
- 501.6 A person located in the District of Columbia dealing in motor vehicle equipment or services, including but not limited to auto paint shops, auto upholstery shops, motor or transmission rebuilders, auto body builders, and auto finance companies, may apply to the Director to be registered as a dealer in motor vehicle equipment or services.

502 APPLICATION FOR DEALER REGISTRATION

- 502.1 Application for registration as a new or used car dealer or dealer in motor vehicle equipment or services shall be made upon a form to be furnished by the Director.
- 502.2 The application form shall contain the following:
- (a) The name of the applicant;
 - (b) The trade name, if any, of under which the applicant operates or will operate;
 - (c) The location of the applicant's principal place of business and of all other places used by the applicant in the conduct of that business;
 - (d) A statement showing whether the applicant is an individual, partnership, or corporation;
 - (e) A copy of the dealer's business license; and

- (f) A copy of the salesperson's license for each salesperson.
- 502.3 If the applicant is a partnership, the application shall contain the names and addresses of the partners. If the application is for a corporation, then it shall contain the place of incorporation and the names and addresses of the corporate officers and directors.
- 502.4 Each application for registration as a new car dealer shall also contain the trade names of the vehicles for which the applicant is the holder of a valid sales franchise.
- 502.5 If any change in any of the information set forth in the application occurs prior to the execution of a new application, a written statement setting forth the change shall be sent to the Director within five (5) business days after the change occurs.
- 502.6 The Director, when satisfied that the person named in the application is entitled to be registered as a new or used car dealer or a dealer in motor vehicle equipment or services, shall register the dealer and maintain records of compliance with this chapter applicable to the dealer.
- 502.7 Dealer registrations shall expire on October 31 of each year.
- 502.8 If, upon expiration, renewal is desired, an application for renewal must be executed and delivered to the Director.

503 DEALER IDENTIFICATION TAGS

- 503.1 Dealer identification tags issued to a registered dealer shall be used solely for the purpose of operating vehicles owned by the dealer, if directly in furtherance of the business of the dealer, and only by the following persons:
 - (a) The dealer, provided they carry proof of dealer registration at the time of operation;
 - (b) The dealer's salesperson, provided they carry their salesperson's license at the time of operation; or
 - (c) The dealer's customer, provided:
 - The customer is accompanied by the dealer or the dealer's salesperson and such person carries proof required by (a) or (b) at the time of operation; or
 - (d) The vehicle displays a temporary registration certificate issued to that customer, as provided in §503.8.
- 503.2 Dealer transport tags may be issued to a registered dealer for use solely by a dealer's subcontractor, or the subcontractor's employee(s), provided:
 - (a) The tags are used in connection with the repair or improvement of the vehicle;
 - (b) The vehicle is being operated between the dealership and the repair location; and

- (c) The operator carries either proof of a contractual relationship regarding such a repair, or an affidavit, signed by the dealer, that states the repair location and that the condition in (a) is satisfied.
- 503.3 A dealer identification tag or dealer transport tag shall be displayed on the rear of a motor vehicle when in use.
- 503.4 Dealer tags shall be issued as follows:
 - (a) Two (2) dealer tags per dealer, with a maximum of four (4) tags per business;
 - (b) One (1) dealer tag per salesperson (other than owner); and
 - (c) Two (2) dealer transport tags per business.
- 503.5 A dealer may replace no more than one (1) lost or stolen dealer identification tag or dealer transport tag every six (6) months, upon proof of the filing of a police report or other proof satisfactory to the Director. The director may waive the time limitation of this subsection for good cause shown.
- 503.6 A dealer shall have motor vehicle insurance that covers the number of vehicles that can be operated using all the dealer tags and dealer transport tags issued to that dealer.
- 503.7 Dealer tags and dealer transport tags shall expire on October 31 of each year.
- 503.8 Whenever a vehicle is furnished by a dealer to a person for the purpose of demonstration or testing and the vehicle is not occupied by an employee of the dealer, a Temporary Registration Certificate, issued to that person by the dealer, shall be affixed to the windshield of the vehicle as provided in § 505.

504 APPLICATION FOR DEALER TAGS AND REGISTRATION CERTIFICATES

- 504.1 The Director shall, upon request, prepare an application for dealers' identification tags approved for issuance to a registered new or used car dealer, or dealer's transport identification tags to a registered dealer in motor vehicle equipment or services, as applicable.
- 504.2 Each application shall contain the name and address of the person so registered and state whether the person is registered as a new or used car dealer or a dealer in motor vehicle equipment or services.
- 504.3 If the dealer is a new car dealer, the application shall contain the trade names of the new vehicles that appeared on the application to be registered.
- 504.4 The application shall contain the Director's number for the applicant and other information that the Director may reasonably require.
- 504.5 The Director shall issue a temporary registration certificate for each set of tags approved and shall deliver the certificate and tags to the applicant or to the applicant's agent.

505 TEMPORARY REGISTRATION FORMS

- 505.1 The Director shall furnish to a registered new or used car dealer a supply of serially numbered temporary registration forms consisting of the following:
- (a) A Temporary Registration Certificate;
 - (b) A Notice of Issuance; and
 - (c) A Record of Issuance.
- 505.2 Temporary registration forms shall provide for the insertion of the date of issuance, the expiration date, and other information required by the Director on all three (3) parts of the forms.
- 505.3 For purposes of computing the period during which the temporary registration form shall be valid, the date of issuance shall not be included, and the date of expiration shall be included.
- 505.4 A new or used car dealer may issue a temporary registration form for a period not to exceed ~~twenty (20)~~ forty-five (45) days when an owner of vehicle identification tags acquires from that dealer a vehicle for which the owner has made application for a certificate and has requested a transfer of registration to the vehicle, as provided in § 416.
- 505.5 (REPEALED)
- 505.6 A dealer shall issue a temporary registration form for a period not to exceed five (5) days when the dealer has furnished a vehicle to a person for the purpose of demonstration or testing that vehicle and the vehicle will not be occupied by an employee of the dealer.
- 505.7 No dealer shall issue a temporary registration form in circumstances the effect of which would be to extend the limited periods of time prescribed in this section.
- 505.8 The Temporary Registration Certificate part of the form shall be securely attached facing out on the inside right lower area of the windshield while the vehicle is being operated under the authority of the certificate.
- 505.9 No dealer shall issue a temporary registration form as provided in § 505.4 unless he or she has received from the purchaser for delivery to the Director the items required by § 416 of this title and until all information is fully completed on the form.
- 505.10 Upon issuing a temporary registration form, the dealer shall deliver the Notice of Issuance part of the form to the Director not later than the next business day after the issuance.
- 505.11 The Director shall retain the Record of Issuance part of the temporary registration form for not less than three (3) years.

- 505.12 If, after the issuance of a Temporary Registration Certificate, it is found that, due to unusual circumstances, the card will be needed for use beyond the expiration date shown on the certificate, the new car dealer or used car dealer who issued the certificate may execute a written request to the Director for an extension of time.
- 505.13 The Director may, in his or her discretion, extend the expiration date to the date he or she determines necessary by placing upon the Temporary Registration Certificate the words "EXTENDED TO" and the date of the extension over the signature of the Director and the date of the signature. The certificate and the identification tags covered by it will then be valid for use until the extended date.
- 505.14 A dealer shall make a copy of the driver's license of any customer issued a Temporary Registration Certificate pursuant to § 505.6. The copy shall be submitted together with the Notice of Issuance as provided in § 505.10.

506 SPECIAL USE IDENTIFICATION TAGS

- 506.1 A new car dealer registered in accordance with this chapter may issue special use certificates and special use identification tags described in § 426 and subject to the conditions prescribed in that section.
- 506.2 Special use identification tags sold under this section shall be sold to dealers in multiples of ten (10) ---.
- 506.3 (REPEALED)
- 506.4 (REPEALED)
- 506.5 Special use tags may be issued for the following periods of time and under the following circumstances:
- (a) If the purchaser authorizes the dealer to process the registration of the vehicle, the tags shall be issued for a period not to exceed ~~twenty (20)~~ forty-five (45) days, including the date of delivery, subject to the applicable provisions of this section;
 - (b) If the purchaser does not authorize the dealer to process registration of the vehicle, the tags shall be issued for a period not to exceed five (5); and
 - (d) (REPEALED)
- 506.6 If the purchaser is a resident of the District, no special use certificate or tags shall be issued for the ~~twenty (20)~~ forty-five (45) day period authorized under § 506.5(a) unless the dealer has first received the application for a certificate, applicable taxes, and all fees required for the certificate and registration for the vehicle for delivery to the Director; Provided, that the fees and taxes need not be collected in the event the vehicle upon which the special tags are to be placed is to be titled, registered, and licensed in the District as a public vehicle for hire.

- 506.7 When issuing special use identification tags, the dealer shall prepare a special use certificate by printing or typing all of the information required on the certificate.
- 506.8 If issued to a purchaser, the certificate shall be issued in the name of the purchaser.
- 506.9 The original of the certificate shall be delivered to the person whose name appears on the certificate.
- 506.10 The duplicate copy of the special use certificate, the information received by the new car dealer in accordance with § 506.6, together with an itemized bill of sale that includes the amount of all applicable taxes and fees required for the vehicle's registration, shall be retained at the dealer's registered location for at least two (2) years.
- 506.11 (REPEALED)
- 506.12 Any dealer issuing a special use identification tag to a customer must electronically submit the vehicle identification number, make, model and year of vehicle, special identification tag number, insurance information, the customer's name and address, and the driver's license number of the person operating the vehicle from the dealer's location, to the Department within one (1) business day of the sale.
- 506.13 All special use identification tags in the possession of the dealer shall be kept in a secure location at the dealer's registered place of business and presented to the Department upon request.
- 506.14 A dealer is entitled to replace any lost or stolen special use identification tag no more than once every six (6) months; except for good cause as determined by the Director.
- 506.15 No dealer shall issue a special identification tag for a vehicle not sold by that dealer.
- 506.16 No dealer shall issue a second or subsequent special use identification tag to the same customer for the same vehicle without written approval from the Director.
- 506.17 A dealer may issue special use identification tags for used cars only if the dealer's sale of used cars are displayed on the same lot as new cars.

507 REFUSAL TO REGISTER: SUSPENSION AND REVOCATION OF REGISTRATION

- 507.1 If the Director shall determine that an applicant to be registered as a new or used car dealer is not entitled to be registered, he or she shall refuse to register the applicant and, upon demand, shall issue an order to the applicant to that effect.
- 507.2 The Director may suspend or revoke the dealer registration of any person who has violated any provision of Title IV of the Act of August 17, 1937, (D.C. Code, 40-101 through 40-105), as amended, or any rule promulgated under the authority of that law pertaining to vehicle registration or to his registration as a dealer, or any violation of Chapters 4 or 5 of this Title.

- 507.3 The Director may suspend or revoke the dealer registration of any person who has ceased to be a dealer as defined in the Act of August 17, 1937, as amended, or this title.
- 507.4 Any order of refusal, suspension, or revocation shall set forth the proposed action and the grounds thereof in sufficient detail to permit the person adversely affected by the order to understand fully the nature of the order and the reasons for the order.
- 507.5 Any person whose registration as a dealer has been refused, suspended, or revoked by the Director may petition for a hearing subject to the provisions of chapter 10.
- 507.6 Any order of suspension or revocation under § 507.2 shall notify the person that the order will take effect within ten (10) days unless the person files an objection together with a request for a hearing.
- 507.7 The filing of a request for a hearing under § 507.6 shall operate as a stay of the order until the Director or hearing examiner renders a written decision on the objection.
- 507.8 If a person to whom a notice of infraction has been issued fails to appear at a hearing for which he or she received notice, the hearing examiner may enter a default judgment sustaining the charges and order the suspension or revocation proposed.

508 SURRENDER OF CERTIFICATES AND IDENTIFICATION TAGS BY A DEALER

- 508.1 A dealer who goes out of business in the District and has valid registration certificates, dealer identification tags, dealer transport identification tags, special use certificates, or special use tags outstanding shall deliver all of the certificates and tags to the Director within five (5) business days after going out of business.
- 508.2 The Director, upon receiving the tags and certificates, shall issue a receipt, upon demand; and shall cancel the tags and certificates.
- 508.3 Returned dealer identification tags, dealer transport identification tags, and special use tags shall not be issued to any other person during the then current registration year and may be mutilated or otherwise disposed of by the Director.
- 508.4 Any person whose registration as a dealer has been suspended or revoked pursuant to this chapter shall, within five (5) business days after the registration has been suspended or revoked, return to the Director the following:
- (a) All dealer identification tags;
 - (b) Special use tags;
 - (c) Special use certificates;
 - (e) Transport identification tags;
 - (f) Registration certificates; and

- (g) All sets of the three-part serially numbered forms (each consisting of a temporary registration certificate, notice of issuance, and record of the issuance) then in his or her possession.

508.5 No refund shall be made for dealers' identification tags, transport identification tags or special use tags returned under the provisions of this section.